



State of California

1995 Annual Report

California Division of Tourism
(California Tourism)

California Technology, Trade & Commerce Agency
Lon S. Hatamiya, Secretary

March 1, 1996

Market Share

California's market share of domestic leisure travel for the first three quarters of 1995 was 10.7%, compared to 10.4% for the same period of 1994.¹

California overtook Florida in 1994 as the state most visited by international travelers. California captured 27.2% all overseas travel to the U.S, reversing four straight years of declining market share.

Directly Attributable Results

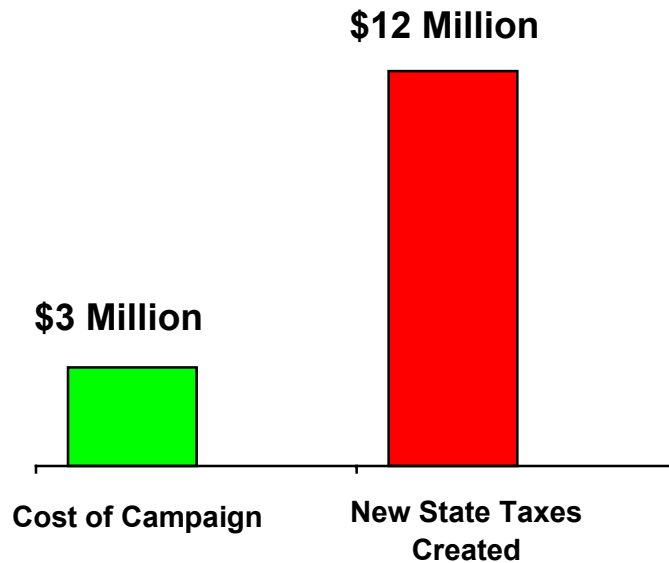
Generally accepted accountability measures are used to determine the directly attributable benefits of two key elements of the tourism marketing program, literature/fulfillment and advertising. Together, these account for 48% of CalTour's entire budget, or 63% of the direct marketing expenditures within the budget.²

- Literature/Fulfillment - Results of a formal cost-benefit study conducted in 1995 determined that CalTour's 1994 **fulfillment program** generated **\$43.9 million in incremental spending** to the state. This spending created **\$1.7 million in state tax revenue**. For every dollar spent sending visitor information to travelers planning trips to California, the state receives \$1.68 in return from travelers who decided to visit or to extend their stay because of having received the information. This spending also generated **\$780,000 in local tax revenue**, and **supported approximately 600 jobs**. It has also been determined that of the incremental spending directly attributable to the literature/fulfillment program, **\$16.5 million was spent in California's lesser known and under-utilized rural regions**.
- Advertising - A prior analysis of CalTour's **advertising campaign** by San Francisco State University reported that CalTour's \$3 million campaign attracted 616,537 incremental visitors to California, generated **\$314 million in new travel spending** statewide, **\$12 million in new State tax revenues**, **\$5.6 million in local tax revenues**, and **supported approximately 4,000 new jobs**. This is a return on investment of 100-to-one in increased travel spending and four-to-one in new state tax revenues. **Approximately \$103.4 million of the incremental spending was spent in lesser known, rural regions.**

¹ D.K. Shifflet & Associates, February 1996.

² Because of the lack of generally accepted methods for calculating visitation and employment directly attributable to every marketing activity, other program elements are evaluated using standard indirect measures of effectiveness, such as the number of trade show contacts made, number of sales mission participants, and dollar value of column inches of positive articles about California attributable to Media Relations program outreach.

CalTour Advertising Return on Investment



Much of the total benefit that the state's lesser known and under-utilized destinations derive from CalTour marketing programs directly results from extensive promotional outreach conducted by CalTour nationally and internationally, which these destinations could not otherwise afford on their own. For example, free listings, editorial coverage, and affordable advertising in State travel publications directly benefit lesser known destinations because it gives them direct exposure to potential travelers and travel intermediaries, such as tour operators. A content analysis of primary CalTour publications distributed in 1995 indicated that the percentage of content featuring rural regions was as follows:

	<u>Distribution</u>	<u>Rural Content</u>
California Travel Ideas (quarterly)	2,000,000	38%
Calendar of Events	300,000	64%
Visitor Guide	300,000	59%
Travel Planner	65,000	51%
Regional Brochures	1,200,000	66%

Rural and lesser-known areas also benefit even when they are not the primary focus of promotional messages. For example, State efforts to increase travel to California gateway destinations from distant markets ultimately benefit lesser known destinations as well, because they increase the pool of travelers which lesser known areas draw from. It is likely that the approximately \$119.8 million spent in rural areas as a result of the combined impacts of the literature/fulfillment and advertising programs discussed above, understates the full impact of State programs.

State of the Industry

- Travel spending in 1995 grew 4.3%, increasing from \$52.9 billion to \$55.2 billion, the largest gain in four years.³
- Tourism employment increased 2.8% to 658,000 jobs, adding 18,000 new jobs since 1994.
- The State of California collected \$2.1 billion in taxes from travel spending, up 7.8% from 1994. Local communities collected \$1 billion in local taxes from travel spending, an increase of 7.4%. Approximately 63% of local tax revenues from tourism come directly from transient occupancy taxes on lodging.

1995 CalTour Marketing Program



Research

- California became the first U.S. state to provide its tourism research on the internet.
- *The California Travel Barometer* was made easier to read and understand with more graphs and charts. This publication provides California's travel industry and observers of the state's tourism economy with monthly figures on domestic and international visitation, highway travel, air arrivals, national park attendance, and currency rates.

³ California Travel Impacts by County, 1995, Division of Tourism; 1996. These figures supercede estimates previously released by the California Trade and Commerce Agency. The data series for the years 1980 through 1994 has been revised to incorporate slight changes in the way expenditure distributions are developed.

- *California Travel Impacts by County*, an annual analysis of statewide tourism statistics including financial impact, jobs, state and local tax revenues, transient occupancy tax, and other indices, was prepared for 1993 and preliminary estimates for 1994 were produced.
- Program Evaluation Research -- A rigorous evaluation of CalTour's literature and fulfillment program was conducted by Patrick Tierney, Ph.D. of San Francisco State University. Dr. Tierney surveyed more than 1,000 households and reported in his *Effectiveness of the California Division of Tourism 1994 Fulfillment Program*, that the state's visitor packets proved effective in influencing travelers to visit California and extend their stays. Over 76% of those requesting visitor information actually visited or planned to visit.

Additionally, the following data needs have been identified that would enable CalTour to further and more adequately assess the benefits of the state marketing program:

- Compare results of the 1995 advertising campaign with previous years.
- Determine how the new CalTour Home page is being used, and whether the availability of California information on the Internet will affect the demand for printed literature.
- Obtain documentation from private sector partners on quantifiable results of co-op programs.
- Domestic and International Market Research -- Reports on domestic and international visitors to California, part of CalTour's ongoing market research efforts, were updated and published.
- *Research Insights*, a quarterly review of market research figures, findings and events, was published as a regular feature of CalTour's newsletter, *Insights*
- CalTour's research manager and intern answered approximately 700 calls for travel and tourism statistical data and sent copies of published reports to an additional 600 requesters. CalTour's research office provided information to destination marketing organizations, local and national governments, news reporters, investors, tourism developers, economic development organizations, appraisers, loan officers, and marketers.

Cooperative Marketing Support

- Leveraging the purchasing power of the state's \$7.5 million tourism budget, the Division of Tourism raised approximately \$13.4 million in additional cooperative partner funds to promote travel to California. Cooperative funding was developed from private and other governmental sources in every major category of CalTour's program.

Economic Development

- CalTour assisted communities and developers with over \$7 billion in potential tourism capital expansions, representing upwards of 50,000 new jobs. Among the most active were: Disney's Westcot, Anaheim; Gold Rush City, Lathrop; U.S. Golf Association Museum and Library, Monterey; Crossroads Arts Academy and Visions Complex, Los Angeles; and the Native American Indian Cultural Center, El Toro.

Issue Analysis and Management

- CalTour provided analysis of numerous state and national tourism issues for the Governor, State Legislature and travel industry. Among them were: the California Tourism Marketing Act, the Los Angeles County Tourism Marketing Act, tourist oriented directional signs, travel agent regulation, ticket seller regulation, currency exchange, state welcome centers, the federal Passenger Vessel Services Act and cruise ship gaming.
- The California Trade and Commerce Agency (TCA) supported the California Travel Industry Association-sponsored California Tourism Marketing Act (S.B. 256) authored by Senators Patrick Johnston and Tim Leslie. S.B. 256, a near duplicate of the previous year's Wilson Administration-sponsored S.B. 1479, was passed by the legislature and signed into law by Governor Wilson on October 13, 1995.
- Traveler Safety and Security – CalTour continued follow-up on actions recommended by the Governor's Workshop on Tourism Security, including organizing meetings between Japanese tour officials and Southern California law enforcement authorities on means to reassure Japanese about their safety and security.
- US/Mexico Border Governor's Conference Tourism Committee -- CalTour worked with tourism officials of the border states of Mexico and the United States to address common tourism issues and to promote tourism along the US/Mexico border.
- US/Japan 2000 -- CalTour led aspects of the US/Japan effort to double the number of Japanese tourists visiting the U.S. by the year 2000. CalTour coordinated the first traveler safety and security press trip by six Japanese hard news journalists to Long Beach, Huntington Beach, Anaheim, Los Angeles, Santa Monica, Las Vegas, Phoenix and Honolulu. The trip resulted in positive publicity within Japan about what California communities have done to provide for a safe visitor experience. Additionally, a video on traveler safety and security was produced for airing on Japanese airlines, at travel agencies and in advance of Japanese travel to California. California was featured in major newspaper advertisements and editorial spreads and California was added to 13 of 39 new tour packages set up by Japanese tour companies, as a direct result of this promotion.
- World Conference of Tourism Ministers -- CalTour participated in the first international conference of tourism ministers/directors and helped write the Osaka Declaration, an international statement on tourism development.

- White House Conference on Travel and Tourism -- CalTour conducted a statewide conference attended by 550 California travel and tourism professionals, coordinated two in-state conferences of the 135-person California delegation and led the delegation at the national conference in Washington, DC, including assisting in organizing a reception by California's delegation with California's Congressional members. A national tourism strategy was developed at the White House Conference and several issues of importance to California's travel and tourism industry were emphasized at the conference and have subsequently been advanced.
- California Conference on Tourism -- CalTour helped plan and conduct the annual California Conference on Tourism in cooperation with the California Travel Industry Association.
- California Tourism Awards -- CalTour presented 15 awards for excellence in tourism, including awards for marketing activities, multi-cultural tourism, environmental programs and tourism educator. The California Tourism Hall of Fame was also expanded from six members to 130.
- Multicultural Tourism -- Production of a documentary about California's ethnic communities was undertaken. Ethnic festivals were emphasized in CalTour's Calendar of Special Events and on its internet home page.
- Education Committee -- CalTour lectured at the statewide tourism educator's conference, supported the University of California, Extension programs at Berkeley and UCLA, lectured at several University of California and California State University hospitality management programs and sought input from committee members in developing educational positions for the White House Conference on Travel and Tourism.
- California Sesquicentennial -- CalTour participated in planning for the 150th anniversary of California's gold discovery to statehood. As the sole member of the California Gold Discovery to Statehood Sesquicentennial Commission, the Deputy Secretary for Tourism signed the documents establishing the California Sesquicentennial Foundation which will be the primary fundraising organization for the commemoration and encouraged further expansion of the Commission, seed funding and establishment of a commemorative license plate to assist in funding Commission activities.

Crisis Response

- The California Division of Tourism provided travel industry communications support in the aftermath of winter storms and floods along the Central Coast.
- Media updates were sent by fax and news wire services to the travel media and to the domestic and international offices of USTTA and TCA.
- Members of the CalTour staff met with affected communities and provided guidance as to crisis response.
- CalTour coordinated requests from all affected communities for Federal financial aid to conduct marketing in the aftermath of the floods.

Fulfillment and Collateral

- Reflective of the effect of inflation upon CalTour's marketing program and a slightly smaller budget, visitor requests for information packets declined 11 percent to slightly less than 261,000 inquiries. Of that total, CalTour advertising generated 154,600 requests for information.
- In addition to consumer inquiries, CalTour fulfilled 13,637 requests from the travel industry, including 6,000 bulk shipments, an increase of 33%.
- 300,000 copies of the *Golden California Visitor Guide* were sent to visitors planning California vacations. The guide was funded through advertising. The publication proved so popular that CalTour ran out of the guides in late 1995 and printed a special 50,000 print run of quarterly magazines to fulfill unanticipated requests for visitor information.
- Two million copies of CalTour's quarterly travel magazine, *Golden California Magazine*, were distributed to travelers entering the state through California's 16 agricultural border stations and at California's two Welcome Centers. Advertising revenues underwrote the cost of producing the magazines.
- CalTour's annual Travel Planner's Guide was distributed to 66,000 professional travel agents, tour operators and meeting planners. These guides were paid for by advertising revenues.
- Some 1,000 California events were listed in the state's Special Events Calendar, 300,000 of these calendars were shipped to travelers considering California vacations. The calendars include special identification of ethnic festivals and events.
- 296,650 copies of CalTour's 12 regional brochures were distributed at consumer shows, trade shows and on sales missions. Additional bulk orders were placed by tour operators, travel agents and California Welcome Centers.
- CalTour distributed the final supply of visitor maps that had been custom-designed by Thomas Bros. Maps of Irvine in 1993 and distributed 343,000 copies of a California map provided at no cost to CalTour by Sunset Magazine.
- More than 5,000 copies of CalTour's *California Adventures & More* -- a comprehensive guide to difficult to locate tourism activities and outdoor adventures such as: white water rafting, hot air ballooning, sporting events, disabled organizations, vacation home rentals, native-American cultural sites and industrial tours -- were distributed to travel agents and tour planners.
- A new fulfillment contractor, DataTel of San Francisco, was retained to handle fulfillment services for CalTour. Response time, telephone answering techniques and reporting services were improved.
- CalTour created an internet home page for California tourism at: <http://gocalif.ca.gov>.
- CalTour contracted with Travel Communications Corporation to place interactive, electronic information kiosks throughout California. A beta test program will test six kiosks at Collier Rest Area, California Welcome Center Rohnert Park, California

Welcome Center Pier 39, Tejon Rest Area, Universal Studios Hollywood and South Coast Plaza. This system will allow travelers to obtain information about California eventually at locations throughout the United States. The system will also allow users to make reservations, purchase tickets, get travel directions and speak directly with California travel providers.

In-State/Rural Program

- Approximately half of CalTour's \$7.3 million budget included communications or marketing activities that promoted travel to lesser-known and under-utilized regions of California.
- Region-specific grants of \$10,000 were provided to the eight rural regions, to stimulate cooperative marketing by destinations marketing organizations within each region and thus stimulate overall consumer interest in these regions.
- Registration costs for a representative from each of the State's eight rural regions were provided to participate in the European Sales Mission to Munich, Frankfurt, London and Manchester. This allowed California rural regions to educate European travel planners about what can be seen and done in their regions.
- *California Countryside Getaways*, a series of syndicated radio features about lesser-known California destinations appeared on 36 radio stations across the state from January through June. Broadcasts of the programs into key urban markets included highlights of annual festivals and events that, inviting potential travelers to the respective rural destinations. The program was discontinued at the beginning of the 1995/96 fiscal year, due to budget limitations and indifference by the countryside marketing advisory committee.
- **Ski California** -- Four years ago, CalTour proposed to California's ski industry that it saw opportunities to promote California skiing in markets that the 38 California ski areas had not previously promoted. CalTour suggested promoting ski packages to the sun-starved British market. CalTour suggested that if Britons would fly to the U.S. to ski, they'd probably also want to see a bit of the U.S. and reckoned that California would be a good place to do it. The California Ski Industry Association agreed and together with CalTour support, began a cooperative marketing program.

In the first year, 500 Britons were attracted to ski California. In the second, 3,500 came to ski California. Last winter, 8,000 British skiers vacationed in California's High Sierra. Bob Roberts, president of the California Ski Industries Association reports that this business has literally filled "Mom and Pop" motels at South Lake Tahoe with midweek winter business and generated tens of millions in return for the State's and industry's cooperative investment.

By providing marketing leadership and seed money for cooperative marketing, CalTour stimulated California's highly competitive ski areas to work together attracting skiers to the state from outside its borders. This has resulted in creating a 12-page color magazine on California skiing that was distributed to 200,000 skiers in Chicago, Dallas, Baltimore, New Jersey, Los Angeles and San Francisco and to 200,000 readers of *Ski* and *Skiing* magazines outside California. It created co-op advertising in the U.K., Mexico, Latin America, Australia and New Zealand and stimulated participation in a variety of national and international trade and consumer shows.

California ski vacations were introduced to the UK through co-op promotions in the *London Daily Mail* and *Ski Survey Magazine* as well as in several tour guides. Press events promoting California winter vacations were held in London, New York and Los Angeles.

This winter, package sales from the U.K. alone are up 50%. More than 12,000 British skiers have pre-booked their ski trips to sunny California, and they're not just skiing California, they're seeing California with additional visits to the Napa Valley, San Francisco, Los Angeles and all places in between.

- California Countryside Festival, the second of two major regional arts promotions, was conducted in cooperation with the California Arts Council, promoting travel into the Gold Country in spring, '95. It completed a multi-year effort to stimulate cooperation between arts councils and destination marketing organizations and generate tourism through mutual projects. Though the arts events were quality local events, they generally were judged to be ineffective at attracting out-of-area tourism, because major sponsors were not interested in providing funds to support advertising and because the festivals contained entertainment and activities mostly of local appeal. Further limited by its budget, CalTour decided not to participate further in financing additional festivals.
- Trade & Consumer Shows -- CalTour distributed consumer travel information with emphasis upon rural regions at major "in-state" trade and consumer shows including: the Orange County Register Travel Show, the Los Angeles Times Travel Show and the Sacramento Bee Travel Show. In addition to a state representative being on hand to distribute information, representatives from the rural regions were present, allowing an opportunity to market the lesser known areas of the state at a modest participation cost.

Domestic Program

- Advertising -- CalTour continued the highly successful advertising approach introduced in 1994 by emphasizing the diversity of vacation experiences available here. Four types of vacation were promoted: Family, Romance, Nature and Sports. National network news and spot (New York City, Dallas, Denver, Phoenix, Las Vegas, Reno, Salt Lake City, Tucson, Portland, Seattle) television advertising was purchased, supported with 1/3-page black and white ads in a variety of consumer magazines which reinforced the televised "vacation type" message and communicated CalTour's toll-free telephone number (1-800-GO-CALIF).

Distribution of Vacation Tips by fax was continued, in order to provide instant gratification for travelers seeking immediate information about a California vacation. Use of the fax-on-demand service increased from 16% of callers to 25%, a remarkable jump and evidence of consumer interest in getting travel planning information quickly.

As mentioned elsewhere in this report, visitor requests for travel planning information dropped 11 percent, largely because the extent of CalTour advertising was reduced from budget cuts and higher cost of media. Nevertheless, 598 million gross impressions were made, generating 156,366 calls for travel planning information exceeding our target of 134,500 by 16%, attracting 616,000 travelers to California, who spent over \$314 million, including \$12 million in state taxes that would not

otherwise have been generated, more than recovering the State's entire cost of the \$7.3 CalTour program.

- The Fun Spots - In an effort not to undermine their existing retail sales efforts, the Fun Spots group implemented a new approach to the marketing of the Fun Spots packages, both domestically and internationally. Domestically, the campaign became a promotional program with a four month sales period, as opposed to twelve months. Further, package sales were limited to Salt Lake City and the middle and eastern regions of the U.S, primarily to be in a more non-competitive environment and attract visitors that the individual theme parks could not adequately reach individually. Domestic campaign package sales in 1995 totaled 5,172. Excluding airfare and the cost of attraction tickets, the State conservatively estimates these visitors generated in excess of \$1,550,000 to the California tourism economy.

New marketing strategies were also implemented for the United Kingdom Fun Spots campaign. The sales window also was reduced to a four month promotional period (again, so as not to cannibalize existing retail sales efforts by attractions in this market). The group also made a strategic decision to focus all of its media dollars on the consumer, as opposed to the travel agent. Although sales were soft this year, the group believed it achieved a fair return on investment due to the \$500,000 spent targeting the consumer by Unijet, its wholesale partner.

- American Airlines FlyAway Supermarket -- Based on lower-than-expected travel agent attendance at the 1995 American Airlines trade show, CalTour met with the American Airlines promoters to discuss our concerns. The Domestic Travel Trade Development Committee has agreed to evaluate proposed changes, by American Airlines, after the '96 show and thus determine if California will continue to exhibit at further shows.
- California Welcome Centers -- As a result of the passage of SB1983, CalTour established the "ground rules" for development of California Welcome Center development throughout the state. Based on a twenty-five point checklist of official "Terms and Conditions", two sites for California Welcome Centers were awarded in 1995 and three other sites were approved for development of future welcome centers. The two operating welcome centers are located in Kingsburg (Central Valley) and Rohnert Park (North Coast). Future "approved" center sites include: Anderson (Shasta-Cascade), Collier/Yreka (Shasta-Cascade) and Pier 39 (San Francisco Bay Area). The California Welcome Center program is self sustaining.
- National Tour Association -- CalTour continued its sponsorship and support of the highly successful *Team California* marketing effort of California exhibitors at National Tour Association (tour operator) trade shows and meetings.

Team California, through its implementation of inventive promotional concepts, has become the marketing program to emulate. The concept brings together California suppliers to generate attention for themselves through joint promotions. *Team California* is considered to be the most dynamic and successful state-organized co-op marketing program within NTA.

CalTour used the following variety of attention-getting promotional activities to identify and draw attention of U.S. tour operators to California suppliers, essential to building tour business.

- Trip giveaways to California donated by convention and visitor bureaus

- Contests that feature educational value and excitement at conventions
- Sponsorship of Certified Tour Professional receptions
- Sponsorship of “Block Party” at Spring Exchange
- Sponsorship of tour operator retreat event
- Sponsorship of National Tour Foundation education program
- Sponsorship of annual Leadership Luncheon
- Annual “in-state” meetings
- Annual Breakfast for California delegates at NTA’s Annual Convention
- Familiarization tours
- Table top trade show
- Sponsorship of TourPac
- Published State of California directory of California NTA members
- Sponsorship of educational seminars
- Sponsorship of Opening Session at Annual Meeting

Among the most successful of Team California’s promotions, this past year, lottery-styled scratcher cards were used to attract tour operators to meet *Team California* members in order to get these cards from the Californians. This meant that the tour operators, usually difficult to meet, anxiously sought out the California delegates trying to get one of the prized free scratchers. The scratchers identified *Team California* partners, so each time a player scratched a card was learning about another new place to tour within California. A match on the scratcher won prizes of up to \$1,000 in cash, sponsored by the California exhibitors and the odds were better than any lottery!

As tribute to the success of *Team California* and its inventive promotions, since the effort was begun four years ago, participation by California companies has grown 77% and California’s inventive promotions have become the talk of each NTA event.

International Program

Sales Missions

The California Division of Tourism consolidated the management of its sales mission and trade show program internally, thereby reducing participation costs by 20% to the state’s travel industry and significantly increasing the number of programs conducted. However, CalTour experienced start-up problems with this ambitious program in Canada and Japan. We spent too much time organizing the first two missions and not enough preparing educational presentations. These early problems were eliminated in later sales

missions through the implementation of pre-programmed computerized sales presentations, foreign language interpretation by in-country representatives and dedication of resources to improved program execution, which have been praised by participants in later sales missions.

- Mexico, January 30 - February 3 -- Coinciding with Expo Vacaciones, the largest travel trade show in Mexico, CalTour coordinated a sales mission by more than 50 California tourism representatives. Approximately 2,782 travel agents and media attended the exhibition and 120 of top buyers came to CalTour's special VIP function at Mexico City's Hard Rock Cafe. An additional 118 travel trade representatives were attracted to an educational seminar conducted in Monterrey. Total cooperative funding amounted to \$235,500.
- Germany/U.K., February 19 - March 3 -- Twenty-eight California suppliers participated in a sales blitz to Munich, Frankfurt, London and Manchester. Due to the enormous value of British and German tourism to California's rural communities, CalTour underwrote participation by representatives from the State's eight rural regions. Approximately 425 travel trade representatives were reached through a combination of educational seminars and tour operator presentations. Cooperative funding equaled \$225,500.
- South America, March 29 - April 3 -- California's fifth consecutive appearance at the Visit USA Show in Brazil and the Destino USA Show in Argentina included 18 California partners. Attendance at the exhibitions as well as travel agent educational seminars and tour operator presentations in each city reached nearly 2,000 travel agents, tour operators and media representatives. Collective cooperative funding was approximately \$146,000.
- Canada, September 25 - 29 -- In support of the annual California Dream Days promotion, this year's sales mission to Canada focused on British Columbia and Alberta. Nineteen California suppliers participated in the program which included exhibiting at the Association of Canadian Travel Agents' Provincial Travel Trade Show (BC Yukon), educational seminars, and distribution of information at a consumer show reaching approximately 5,000 travel trade and consumers. Cooperative funding amounted to approximately \$93,000.
- World Travel Market, November 11 - 15 -- California's hosted 132 of the U.K.'s best producing tour operators and travel agencies at what has become a California original, a U.K. premiere of a California motion picture. Twenty-one California suppliers participated in the program which, at the California exhibit, featured tasting of Sonoma County wines. This joint partnership with the Sonoma County Vintners' Association further supported the wine industry's efforts in marketing product in the U.K. Approximately 20,000 trade visited the California stand during the show. Cooperative funding amounted to approximately \$275,550.

Trade Shows

CalTour representation at major international travel trade shows serves to unify the state's travel industry, by creating common display themes where California suppliers are present and sustains California interaction with the international trade where California suppliers are absent. Often, CalTour assists California companies in distributing their sales materials through a California booth, when they cannot attend the trade show. This

extends the visibility of these California travel destinations and companies to markets they would otherwise not be able to reach.

- Huddle West, January 16 - 18 -- CalTour conducted 30 appointments (more than the maximum number of pre-scheduled appointments possible) with buyers and media representatives from various foreign countries.
- International Tourism Exchange, Berlin (ITB) - March 3 - 9 -- This is largely a trade show, but for the first time, CalTour included distribution of travel planning information to consumers with great success. In addition to the traditional CalTour publications, the regional brochures were collectively distributed with the eight rural areas receiving the majority of the attention. Approximately 15,000 consumers and 200 European travel trade representatives were reached.
- Discover USA South America Workshop, March 13 - 15 -- CalTour was only of 10 U.S. destinations invited to address approximately 125 buyers from South America at the Travel Industry Association's first workshop targeting this growing market. In addition to the presentation, 20 appointments were conducted with top buyers.
- Discover America Pow Wow, May 22 - May 27 -- The Division of Tourism conducted 180 appointments with tour operators from around the world. An additional 50 tour operators requested appointments that were not accommodated due to insufficient time but were followed up with after the exhibition. To assist California suppliers having difficulty in obtaining appointments, CalTour's three foreign representatives were recruited to walk the floor and direct buyers from the UK, Germany and Japan into respective booths.
- Australia/New Zealand Destination Seminars, July 20 - August 2 -- CalTour and nine California suppliers reached 2,700 travel trade representatives in the major population centers in Australia and New Zealand. A combination of tour operator presentations, travel agent educational seminars, media appointments and trade shows were utilized to create awareness of California.
- La Cumbre, August 20 - 25 -- CalTour scored a marketing coup when it brought together United Airlines, Alamo Rent A Car and 33 California companies to promote travel to California among 600 South American buyers during the opening program of the 1995 La Cumbre Latin America trade show. This effort immediately generated additional buyer interest and unscheduled appointments for California suppliers. It also stunned Florida, as it demonstrated a serious, collective move by California to attract a greater share of the Latin American market, which has typically been Florida's alone. Collective sponsorship amounted to more than \$40,000.
- Pow Wow Europe, September 22-25 -- CalTour combined efforts with six other California suppliers to reach the smaller European tour operator that typically attend this show. Approximately 75 buyers visited the California section and each exhibitor saved an average of \$1,000 by sharing booth space with the state.
- Japan Association of Travel Agents (JATA), November 29-December 3 -- 50,000 consumers and 6,800 travel trade attended the four day exhibition in Osaka providing the 10 California companies exhibiting together excellent access to the emerging Kansas region. A positive result of this collective effort was the development of a travel trade educational program with United Airlines throughout the Osaka area. Collective funds amounted to \$18,000 with each exhibitor saving approximately \$3,000 each.

- Visit USA Fair, Korea, December 5-7 -- CalTour, Northwest Airlines, United Airlines and three California suppliers teamed together to reach more than 100 buyers through a combination of independent sales calls at top USA producers, educational presentations to airline reservation staffs and one-to-one appointments during the exhibition. Cooperative funding equaled \$2,500 and each exhibitor saved approximately \$1,200 on booth fees.

Familiarization Tours

Travel trade familiarization tours are one of the most effective, and most favored, marketing efforts carried out by the travel industry. The fam tours support sales efforts conducted through trade shows and sales missions by bringing productive agents to experience California first-hand. CalTour coordinated the tours with transportation, accommodations, meals and recreation/entertainment costs provided by sponsors, local host suppliers and through participant fees.

- Italy, Viaggiare, January 14 - 19 -- Viaggiare is one of the largest producing tour operators in Italy. This educational tour consisted of nine retail agents and three journalists. The itinerary included San Francisco, Santa Cruz and Monterey. Estimated cooperative value is \$34,900.
- Best Ski Tour, March 13-18 -- In cooperation with American Airlines and initiated by CalTour's Japan contractor, this tour consisted of 11 Japanese ski tour wholesalers who visited Mammoth Mountain and Heavenly Ski Resort. The focus of the tour was to educate sales associates with the current packages featuring Heavenly and to promote new packages at Mammoth. As a result, Heavenly and Mammoth have been added to Japanese tour packages this year and California is being touted as the "hot, new ski destination." Cooperative funding estimated at \$34,290.
- United Kingdom, Virgin Atlantic Holidays - March 22-29 -- Initiated by CalTour's UK contractor, Virgin Atlantic Holidays, the UK's largest USA producer, brought 11 of its top producers to learn more about Los Angeles, San Diego, Palm Springs and Anaheim. Cooperative funding estimated at \$25,200.
- Germany, FFH Radio, April 19-May 10 -- Initiated by CalTour's German contractor, this fam tour consisted of two journalists from Federal land Hessen, the largest radio station in northern Germany, in support of a contest featuring California. The fam consisted of a fact-finding mission in order to carry out a trivia contest in Germany with the winners receiving free trips to the West Coast including ground transportation on Harley Davidson motorcycles. The itinerary included Los Angeles, Needles, Lone Pine, Bishop, Merced, San Francisco, San Simeon, Pismo Beach and Redondo Beach. Estimated cooperative value was \$12,150.
- United Kingdom, Premiere Holidays, April 29-May 7 -- Initiated by CalTour's UK contractor, this fam tour was conducted for Premiere Holidays, a primary tour operator in the UK. Ten of Premiere's top retail agencies sent representatives on this educational program which included visits to San Francisco, Napa Valley and Mariposa County. Cooperative funding estimated at more than \$15,780.
- United Kingdom, Major Travel, April 30-May 7 -- Generated by CalTour's UK representation office, the fam consisted of 10 of the operators top producing travel agents and was intended to support Major Travel's intention to launch a brochure dedicated solely to California product. The tour consisted of San Francisco, Mariposa

County, San Juan Bautista, Monterey, Gilroy, Santa Clara, and San Jose. Approximate cooperative value is estimated at \$24,330.

- Germany, E.V.S. Vacances System, May 1-8 -- E.V.S., affiliated with fourth largest tour operator in Germany, sponsored this CalTour-organized program which brought ten of the organization's top mass media networks (television, magazines and newspapers) as well as private sector enterprise clients to San Francisco, Sonoma County, Monterey, Santa Maria, Santa Monica and Los Angeles. Estimated cooperative value is \$25,800.
- Canada, Alberta Motor Association, September 22-25 -- In support of the California Dream Days promotion, the AMA brought ten of its provincial travel counselors to Northern California destinations to meet with suppliers participating in this annual California promotion. Ten travel counselors from throughout the Province were educated on San Francisco, Sonoma County, and North Lake Tahoe. Estimated cooperative value is \$2,000.
- Canada, British Columbia Automobile Association, November 27 - December 1 -- Also in support of the California Dream Days promotion, this educational tour focused on Southern California areas that participated in the promotion. The itinerary included Los Angeles, San Diego and Orange County and highlighted AMTRAK transportation services. Twenty of the organization's tour counselors from the Province participated. Estimated cooperative value for the program is \$13,500.
- Canada, Air Canada, December 7-10 -- Transported by the primary sponsor of the California Dream Days promotion, representatives of Air Canada's 11 best producing British Columbia travel agencies participated in a tour that visited Sonoma County and San Francisco. Estimated cooperative value is \$12,000.
- International Promotions -- Canada, California Dream Days, November 1, 1995-February 29, 1996 -- Celebrating its 11th year, the California Dream Days promotion attracts Canadians to California during winter. It is supported by more than 350 California hotels, motels, bed and breakfast inns, attractions, sightseeing and transportation companies, shopping facilities and RV Parks and campgrounds. The 1995 campaign was sponsored by Air Canada which introduced non-stop service between British Columbia and LA and SF. In addition, the airline expanded its marketing support to the program by incorporating a series of radio promotions in four major Canadian markets: Montreal, Toronto, Calgary and Vancouver. One California hotel representative reported that her property received 10 bookings immediately following release of the radio commercials. An additional boost to the campaign was provided by the Southern California International Marketing Group which spent \$180,000 in advertising and distribution of an additional 40,000 Dream Days discount booklets in western Canada.
- Travel Trade Fulfillment -- CalTour fulfilled 1,500 to 2,000 requests for information and assistance from travel trade representatives throughout the world.
- International Representative Offices -- Three offices under contract with CalTour have played a significant role in establishing in-market presence for California in Japan, the UK and Germany. These offices provide local points-of-contact for their country's travel agents, tour operators and consumers seeking information and assistance in planning California travel. The UK and German offices are cooperatively funded with five California convention and visitor bureaus. This allows each partner to reduce

their cost of having a presence in these markets and thus stretch their marketing budgets.

The Japan representative is funded solely by CalTour. Here's a summary of their services:

- Distributed destination planning information for the state and individual areas/destinations/businesses to the travel trade, media and consumers.
- Provided semi-annual analysis of tour operator packages featuring California
- Conducted monthly sales calls to retail travel agencies and quarterly sales calls to tour operators
- Assisted tour operators in developing new package itineraries
- Maintained a presence for California at various industry events
- Provided assistance in coordinating California's presence at various exhibitions
- Coordinated various familiarization tours to support development of new package itineraries.
- Influenced various companies to select California as destination to conduct incentive program for top employees.
- Developed leads for various areas in state regarding potential Japanese business
- Attended Discover America Pow Wow and facilitated appointments with wholesale tour operator representatives for lesser-known areas
- Developed and conducted mailings of California newsletters to the travel trade

A base-line report just issued by MSTT in the UK indicated that from 1992 to 1995: 1) the office responded to approximately 44,000 inquiries from the travel trade; 2) made approximately 1,200 sales calls which directly resulted in 269 tangible leads, thus exceeding CalTour's "5" per month goal; 3) organized 270 educational seminars; 4) issued 125 press releases; 5) published 10 newsletters; 6) provided assistance to 530 media representatives; 7) organized 60 familiarization tours; and 8) increased California's exposure in tour operator brochures from 79 to 112.

A base-line report issued by the German office indicated that from August of 1994 to November of 1995 the following was accomplished: 1) 4,328 travel trade inquired were handled; 2) 99 sales calls were made resulting in 60 actual leads; 3) the office also attended 10 trade shows representing California; and 4) increased California's product and exposure in tour operator brochures from 267 to 283.

- California International Tourism Advisory Council (CITAC) -- Planning for a new California travel trade show (the California Travel Market [CTM]) was begun in fall of 1995 when 17 of California's top international tour planners met at La Costa to guide California's travel industry as to what would make the new trade show successful. The tour wholesale representatives were also asked to share their views of what California should do to improve its marketing opportunities within their respective

countries. The session provided an invaluable exchange of information between top international buyers and top California suppliers that will result in developing a program with maximum effectiveness for both parties. Equally important were the close working relations that resulted between the suppliers and buyers. CITAC set the groundwork for development of an ongoing international advisory group to help guide California's international marketing activities. Such a positive atmosphere was generated that attendees plan to continue meeting at various international trade exhibitions, and thus sustain the dialogue toward mutually improving business opportunities.

Media Relations

- CalTour organized the state's second media blitz to New York City, adding Chicago to the itinerary, February 6-10, 1995. This trip included 28 delegates representing 25 California destinations, attractions, resorts, and sightseeing companies who met with 140 travel trade and consumer press in New York City, and 28 press in Chicago. Comments on evaluations completed by delegates were very positive, and supported by the fact that 18 of the participating companies are returning for the upcoming media blitz to New York City and Washington, DC, February 26 - March 1, 1996.
- Group press trips. CalTour organized their annual California Dream Days press trip (Long Beach, Catalina Island, Anaheim and Orange County, Riverside, West Hollywood, and Los Angeles) in cooperation with Air Canada for Canadian travel journalists, October 19-25, 1995. Six writers on assignment with publications such as *The Toronto Star*, *The Toronto Sun*, *The Financial Post*, *Doctor's Review*, and *Diver* magazine participated in the seven-day press trip. Publicity generated thus far includes two columns in *The Toronto Star* (circ.: 500,000): Saturday, November 11, 1995 issue featuring Universal Studios Hollywood, Knott's Berry Farm and Disneyland; and Saturday, December 9, 1995 issue featuring Catalina Island and Long Beach. In the planning stages is an entire issue of *Doctor's Review* (circ.: 37,000) devoted to southern California (including cover shot), plus two pieces on the Museum of Tolerance and Catalina Island for *The Financial Post* (circ.: 100,000). CalTour also organized a press trip (Pasadena, Central Coast and San Francisco) in cooperation with Virgin Atlantic Airways for travel journalists from the United Kingdom, October 24 - November 3, 1995. Three travel journalists representing *BBC Radio Scotland*, *BRMB Birmingham Broadcasting Ltd.*, *Travel Weekly*, and *Bella* magazine participated in the 11-day trip. California broadcasts and articles are expected to begin appearing in early 1996.
- Individual press trips were organized throughout California for domestic travel writers, and journalists and broadcasters from Australia, Belgium, Canada, Germany, Japan, and the United Kingdom. One such trip was for London-based travel journalist Robin Mead, who was researching a guide to American and Canadian Inns and their ghosts, *Haunted Hotels*. Instead of six to seven California inns originally scheduled to appear in the book, due to CalTour's efforts, 18 California properties were featured in the 224-page guide.
- Approximately 600 journalists were assisted with information for travel and tourism articles, broadcasts and travel guide books on California. One example of assistance: CalTour assisted Christopher Reynolds, travel writer, *Los Angeles Times* (circ.: 1.5 million) with his "Travel Insider" column about white water rafting which appeared in the Sunday, March 26, 1995 issue. Mr. Reynolds was referred to California Outdoors, a trade association representing 50 of the state's whitewater

rafting outfitters. The article resulted in approximately 300 telephone calls to California Outdoors.

- Each quarter, *What's New In California*, a major roundup press release about new developments in California tourism was sent to some 1,000 national and international writers, editors and broadcasters.
- Three major features about California (Guest Ranches, Missions and Whale Watching) were sent to travel writers and publications throughout the U.S.
- Four editions of *Insights*, a newsletter which informs California travel companies and destinations on how they can take greater advantage of CalTour's services and programs were written and distributed to approximately 5,000 organizations and individuals.
- Twenty press releases and media advisories were distributed to the travel media about CalTour programs, publications, promotions and research findings; and in response to natural disasters and situations which could adversely impact tourism in California.
- Newsclips collected by a newsclipping analysis service (January - November 1995) totaled nearly 3,000 articles featuring California destinations or tourism issues with an ad equivalency value of \$12.3 million. Approximately 1/8th of these articles were generated by writers who had direct contact with CalTour, meaning that about \$1.5 million in direct ad equivalency was generated from the \$135,000 spent by CalTour on publicity development. And, since editorial space is known to be far more valuable than advertising space (a 10 to 1 value ratio is usually applied), the potential value of publicity generated by CalTour could exceed \$15 million.